



## **BAY COMMERCIAL BANK REPORTS SECOND QUARTER 2006 RESULTS**

WALNUT CREEK, California – July 31, 2006 -- Bay Commercial Bank (OTCBB:BCML) today announces its 2nd quarter and year to date 2006 operating results.

The Bank reported total assets as of June 30, 2006 of \$52.0 million including loans outstanding of \$43.4 million compared to June 30, 2005 total assets of \$37.3 million and total loans outstanding of \$27.7 million. At June 30, 2006, total deposits were \$34.5 million compared to total deposits at June 30, 2005 of \$23.6 million. The Bank's operating income for the second quarter 2006 was \$33,000 or \$0.02 per share compared to a loss for the same period in 2005 of \$211,000, or a loss of \$0.14 per share. The Bank's operating income for the period ended June 30, 2006 was \$1,000 or \$0.00 per share compared to a loss for the same period in 2005 of \$431,000, or a loss of \$0.28 per share.

George J. Guarini, Chief Executive Officer of Bay Commercial Bank, stated "We are pleased to announce both year to date and quarterly earnings as we approach our 2<sup>nd</sup> anniversary. The Bank continues to look for new business opportunities. We expect the positive earnings and growth trends to continue."

The Bank offers a full range of loan and deposit products and services to businesses and their affiliates throughout the Bay Area. Its offices are located at 1280 Civic Drive, Suite 100, Walnut Creek, California and at 1111 Broadway, Suite 110, Oakland, California. Bay Commercial Bank is a member of FDIC and is an Equal housing lender. Bay Commercial Bank is traded on the bulletin board under the symbol BCML.OB and the Bank can be found at [www.baycommercialbank.com](http://www.baycommercialbank.com).

The Bank has made forward-looking statements in this Press Release that are subject to risks and uncertainties. Forward-looking statements include information concerning the Bank's possible or assumed future results of operations. Also, when the Bank uses such words as "believe," "expect," "anticipate," "plan," "could," "intend," or similar expressions, it is making forward-looking statements. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Bank's actual results could differ materially from those anticipated in any forward-looking statements as a result of certain factors, including those set forth in "Risk Factors" and elsewhere in its Offering Circular and are incorporated herein by reference. The Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

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**Selected Financial Data**  
**June 30, 2006**

	Quarter Ending <u>6/30/2006</u>	Quarter Ending <u>6/30/2005</u>	Year to Date <u>6/30/2006</u>	Year to Date <u>6/30/2005</u>	Year Ending <u>12/31/2005</u>
<i><u>Balance Sheet</u></i>					
(dollars in thousands)					
Total Assets	\$ 52,037	\$ 37,254	\$ 52,037	\$ 37,254	\$ 43,347
Total Loans	43,391	27,667	43,391	27,667	35,908
Total Deposits	34,489	23,625	34,489	23,625	29,748
Shareholders' Equity	13,498	13,483	13,498	13,483	13,406
<i><u>Operating Results</u></i>					
(dollars in thousands)					
Interest Income	\$ 975	\$ 512	\$ 1,801	\$ 868	\$ 2,330
Interest Expense	306	117	554	181	639
Net Interest Income	669	395	1,247	687	1,691
Provision for loan losses	40	85	95	170	295
Non-interest Income	23	15	43	25	62
Non-interest Expense	619	536	1,194	973	1,984
Net Income(Loss)	\$ 33	\$ (211)	\$ 1	\$ (431)	\$ (526)
<i><u>Ratios and Data</u></i>					
Net Interest Margin	5.66%	4.97%	5.54%	4.81%	4.71%
Efficiency ratio	89%	131%	93%	137%	113%
Leverage capital ratio	27.8%	41.2%	27.8%	41.2%	29.6%
Income(Loss) Per share - basic	\$ 0.02	\$ (0.14)	\$ 0.00	\$ (0.28)	\$ (0.34)
Common Stock	1,540,000	1,540,000	1,540,000	1,540,000	1,540,000

END